

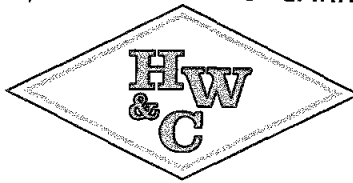
Marketing Education Retail Alliance, Inc.
Baton Rouge, Louisiana
June 30, 2014

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Independent Auditor's Report

To the Board of Directors
Marketing Education Retail Alliance, Inc.
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Marketing Education Retail Alliance, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marketing Education Retail Alliance, Inc. as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2014, on our consideration of Marketing Education Retail Alliance, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marketing Education Retail Alliance's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Hawthorn, Wainwright & Carroll, LLP". The signature is written in a cursive, flowing style.

August 28, 2014

Marketing Education Retail Alliance, Inc.
Statements of Financial Position
June 30, 2013 and 2012

Assets			
		<u>2014</u>	<u>2013</u>
Assets			
Due From Related Party		\$ 33	\$ -
Total Assets		<u>\$ 33</u>	<u>\$ -</u>
 Liabilities and Net Assets			
Liabilities			
Managed Overdraft		\$ 33	\$ -
Net Assets, unrestricted		<u>-</u>	<u>-</u>
Total Liabilities and Net Assets		<u>\$ 33</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

Marketing Education Retail Alliance, Inc.
Statements of Activities
Years Ended June 30, 2014 and 2013

	Unrestricted	
	2014	2013
Revenue and Other Support		
State Grant	\$ 669,304	\$ 674,683
Total Revenue and Other Support	<u>669,304</u>	<u>674,683</u>
Expenses		
Supporting Services	28,289	28,289
Program Services	<u>641,015</u>	<u>646,394</u>
Total Expenses	<u>669,304</u>	<u>674,683</u>
Change in Net Assets	-	-
Net Assets, beginning of period	<u>-</u>	<u>-</u>
Net Assets, end of period	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

Marketing Education Retail Alliance, Inc.
Statements of Functional Expenses
Years Ended June 30, 2014 and 2013

	June 30, 2014			June 30, 2013		
	Supporting Services	Program Services	Total	Supporting Services	Program Services	Total
Administrative Expenses						
Contract Services	\$ -	\$ 108,830	\$ 108,830	\$ -	\$ 108,830	\$ 108,830
Equipment Rental	-	11,532	11,532	-	11,532	11,532
Rent	-	7,700	7,700	-	7,700	7,700
Telephone	-	6,354	6,354	-	6,354	6,354
Office Supplies	-	6,001	6,001	-	6,001	6,001
Public Relations	-	2,000	2,000	-	2,000	2,000
Employee Taxes and Insurance	-	26,474	26,474	-	26,474	26,474
Total Administrative Expenses	-	168,891	168,891	-	168,891	168,891
Operating Expenses						
Accounting/Bookkeeping	24,000	-	24,000	24,000	-	24,000
Professional Services	4,289	-	4,289	4,289	-	4,289
Administrative Support	-	19,000	19,000	-	19,000	19,000
Total Operating Expenses	28,289	19,000	47,289	28,289	19,000	47,289
Travel	-	1,000	1,000	-	1,127	1,127
Marketing Education Grants	-	452,124	452,124	-	457,376	457,376
Total Expenses	<u>\$ 28,289</u>	<u>\$ 641,015</u>	<u>\$ 669,304</u>	<u>\$ 28,289</u>	<u>\$ 646,394</u>	<u>\$ 674,683</u>

The accompanying notes are an integral part of these financial statements.

Marketing Education Retail Alliance, Inc.
Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ -	\$ -
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used in Operating Activities		
(Increase) Decrease in Assets:		
Due From Related Party	33	25,000
Increase (Decrease) in Liabilities:		
Accounts Payable	-	-
Managed Overdraft	<u>(33)</u>	<u>(25,000)</u>
Net Cash Used in Operating Activities	<u>-</u>	<u>-</u>
Net Decrease in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and Cash Equivalents, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

Marketing Education Retail Alliance, Inc.
Notes to Financial Statements
June 30, 2014

Note 1-Nature of Operations

Marketing Education Retail Alliance, Inc. (MERA) is a not-for-profit organization formed on June 21, 2000 to increase marketing education in Louisiana by assisting in the expansion, training, and enhanced enrollment of members in Distributive Education Clubs of America by rewarding and motivating students. MERA's revenue is derived from a cooperative endeavor agreement with the Louisiana Department of Economic Development, a Louisiana Public Corporation, to channel funds directly to the classroom through a grant process, for worthy, creative, and innovative opportunities to assist students in achieving their full potential. MERA works with local and national merchants and businesses through the Louisiana Retailers Association to ensure the best preparation of the leaders of our future.

Note 2-Summary of Significant Accounting Policies

A. Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

MERA reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets include those net assets whose use by MERA is not restricted by donors, even though their use may be limited in other respects, such as by contract or board designation. Temporarily restricted net assets are those net assets whose use by MERA has been limited by donors (a) to later periods of time or other specific dates or (b) for specified purposes. Permanently restricted net assets are those net assets received with donor-imposed restrictions limiting MERA's use of the assets. At June 30, 2014 and 2013, MERA had no temporarily or permanently restricted net assets.

B. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates that were used.

C. Cash and Cash Equivalents

For purposes of the statements of cash flows, MERA considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

D. Income Taxes

MERA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an entity other than a private foundation within the meaning of Section 509(a). Accordingly, no provision has been made for income taxes.

Marketing Education Retail Alliance, Inc.
Notes to Financial Statements
June 30, 2014

Note 2-Summary of Significant Accounting Policies (Continued)

D. Income Taxes (Continued)

Management has determined that there are no uncertain tax positions that would require recognition in the financial statements. If MERA were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based on ongoing analysis of tax laws, regulations, and interpretations thereof as well as other factors. Generally, tax returns may be examined for three years from the filing date, and the current and prior three years remain subject to examination as of June 30, 2014.

Note 3-Related Party

MERA is related to Louisiana Retailers Association (LRA) through common governance. LRA provides administrative and operating support to MERA. The total amount paid for these services was \$168,891 for the years ended June 30, 2014 and 2013.

Note 4-Contingencies

MERA participates in a state grant program, which is governed by various rules and regulations. Costs charged to the grant program are subject to audit and adjustment by the grantor agency; therefore, to the extent that MERA has not complied with the rules and regulations governing the grant, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs disallowed would be recognized in the period agreed upon by the grantor agency and MERA.

Note 5-Economic Dependency

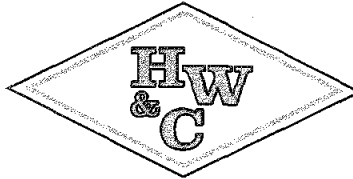
MERA receives all of its revenue from a grant administered by the State of Louisiana. The grant amount is appropriated each year by the state government. If significant budget cuts are made at the federal and/or state level, the amount of funds received by MERA could be reduced significantly by an amount that could adversely impact its operations. Management is not aware of any actions that will adversely affect the amount of grants and contracts the organization will receive in the next fiscal year.

Note 6-Subsequent Events

MERA evaluated all subsequent events through August 28, 2014, the date the financial statements were available to be issued. As a result, MERA noted no subsequent events that required adjustment to, or disclosure in, these financial statements.

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Marketing Education Retail Alliance, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Marketing Education Retail Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 28, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marketing Education Retail Alliance, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marketing Education Retail Alliance, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

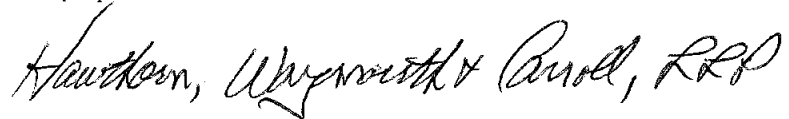
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marketing Education Retail Alliance, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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August 28, 2014

**Marketing Education Retail Alliance, Inc.
Schedule of Current Year Findings and Responses
Year Ended June 30, 2014**

Findings - Financial Statement Audit

None.

Marketing Education Retail Alliance, Inc.
Schedule of Prior Year Findings and Responses
Year Ended June 30, 2014

Findings - Financial Statement Audit

None.